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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER
Chairman
WILLIAM A. MUNDELL
Commissioner
MARC SPITZER
Commissioner
MIKE GLEASON
Commissioner
KRISTIN K. MAYES
Commissioner

Arizona Corporation Commission

DOCKETED

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IN THE MATTER OF THE APPLICATION
OF BELL ATLANTIC COMMUNI-
CATIONS, INC. DBA VERIZON LONG
DISTANCE TARIFF FILING TO INCREASE
THE MAXIMUM AND THE CURRENT
RATE FOR PLAN G SERVICE MONTHLY
RECURRING CHARGE

DOCKET NO. T-03289A-05-0199

DECISION NO. 68330

ORDER

Open Meeting
December 6 and 7, 2005
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance ("Verizon-LD") is certified to provide intrastate telecommunications service as a public service corporation in the State of Arizona.

2. On March 17, 2005, Verizon-LD filed tariff revisions to increase the current and maximum monthly recurring charges of its Plan G Service rate:

Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance

AZ.C.C. Tariff No. 2, Page 1, 59th Revised
AZ.C.C. Tariff No. 2, Page 1.2, 23rd Revised
AZ.C.C. Tariff No. 2, Page 33.3, 23rd Revised

Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance – Price List

AZ.C.C. Tariff No. 2, Page 2.1, 1st Revised

3. The monthly recurring charge is billed in full each month for each account. This filing seeks to increase Verizon-LD's current monthly recurring charge for its Plan G Service from

1 \$4.95 to \$5.95. This filing also seeks to increase Verizon-LD's maximum recurring monthly
2 charge for its Plan G Service from \$4.95 to \$10.00. Because customers will pay more under
3 Verizon-LD's proposal, Commission Staff ("Staff") considers this filing a rate increase.

4 4. Verizon-LD indicated that it is filing this tariff revision so that it would have
5 standardized rates nationwide allowing it to operate more efficiently. Verizon-LD also indicated
6 that it provides Plan G service in all states except Alaska and currently charges a monthly
7 recurring charge of \$5.95 for its Plan G service in those states, excluding Arizona.

8 5. Since this filing increases the maximum rates for a component of a service that has
9 been classified as competitive under the Commission's Competitive Telecommunications Service
10 Rules, Arizona Administrative Code ("A.A.C.") R14-2-1110 applies to Verizon-LD's proposal.
11 Verizon-LD provided the information required by A.A.C. R14-2-1110 allowing Staff to determine
12 the potential effects of approval of this filing. The information provided indicates that the
13 expected revenue effect of the approval of the maximum rates listed in this filing is an increase of
14 \$4,240 in Verizon-LD's annual Arizona revenues. The expected revenue effect of Verizon-LD's
15 proposed current rates changes to an increase of \$840 in Verizon-LD's annual Arizona revenues.

16 6. Verizon-LD indicated that it currently provides 4,398 presubscribed lines to
17 approximately 3,000 customers in Arizona. Staff has reviewed Verizon-LD's customer notice and
18 believes that it is consistent with Commission rules.

19 7. The rates contained in this filing are for services that have been classified as
20 competitive by the Commission and that are now subject to the Commission's Competitive
21 Telecommunications Service Rules. Under these rules, rates for competitive services are not set
22 according to rate of return regulation. Staff requested information from Verizon-LD regarding its
23 fair value rate base. Verizon-LD indicated that its fair value rate base is zero. However, the rates
24 that Verizon-LD will ultimately charge will be heavily influenced by the market. Because of the
25 nature of the competitive market and other factors, a fair value analysis is not necessarily
26 representative of the company's operations. Therefore, while Staff considered the fair value rate
27 base information submitted by Verizon-LD, it did not accord that information substantial weight in
28 its analysis of this matter.

8. Staff has recommended approval of this filing.

CONCLUSIONS OF LAW

1. Verizon-LD is a public service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

2. The Commission has jurisdiction over Verizon-LD and over the subject matter of the Application.

3. The Commission, having reviewed the tariff pages (copies of which are contained in the Commission's tariff files) and Staff's Memorandum dated November 23, 2005 concludes the tariff is reasonable, fair and equitable, and is therefore in the public interest.

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ORDER

IT IS THEREFORE ORDERED that the proposed tariff revisions be and hereby are approved.

IT IS FURTHER ORDERED that this decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION


CHAIRMAN

COMMISSIONER


COMMISSIONER


COMMISSIONER


COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 9th day of December, 2005.


BRIAN C. McNEIL
Executive Director

DISSENT: 

DISSENT: _____

EGJ:AFF:lhbm/JMA

1 SERVICE LIST FOR: Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance
2 DOCKET NO. T-03289A-05-0199

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